

Message Text

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ACTION ARA-20

INFO OCT-01 ISO-00 AEC-11 AID-20 CEA-02 CIAE-00 CIEP-03

COME-00 DODE-00 EB-11 FEAE-00 FPC-01 H-03 INR-11

INT-08 L-03 NSAE-00 NSC-07 OMB-01 PM-07 RSC-01 SAM-01

SCI-06 SP-03 SS-20 STR-08 TRSE-00 FRB-03 PA-04

USIA-15 PRS-01 NIC-01 SPM-01 IO-14 EUR-25 LAB-06

SIL-01 DRC-01 AGR-20 /240 W
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R 192050Z SEP 74

FM AMEMBASSY SAN SALVADOR

TO RA

HC/SECSTATE WASHDC 6422

INFO AMEMBASSY GUATEMALA

AMEMBASSY MANAGUA

AMEMBASSY SAN JOSE

AMEMBASSY TEGUCIGALPA

USCINCSO

C O N F I D E N T I A L SECTION 1 OF 2 SAN SALVADOR 3741

EO 11652: GDS

TAGS:PGOV PINT EAGP ELAB ENRG SPOP MPOL ECIN ES

SUBJ: PRESIDENT MOLINA NATIONAL DAY SPEECH

USCINCSO FOR POLAD

1. SUMMARY - PRESIDENT MOLINA GAVE NATIONAL DAY SPEECH SEPT. 15 WHICH, WHILE MENTIONING NUMBER OF PAST AND FUTURE GOES ACTIVITIES, DID NOT GO INTO MANY SPECIFICS. OF THE LATTER, SEVERAL COULD PROVE TO BE IMPORTANT REFORM AND DEVELOPMENT MEASURES. THEIR SCOPE AND THE DETERMINATION OF THE GOES TO IMPLEMENT THEM REMAIN TO BE REVEALED. SINGLED IMMEDIATE "SURPRISE" WAS ANNOUNCEMENT OF NEW PROCEDURES FOR GRANTING OFFSHORE OIL
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CONCESSIONS. EARLY PRESS COVERAGE WAS CONFINED TO QUOTES WITH

NO COMMENT OR ANALYSIS. END SUMMARY

2. PRESIDENT ARTURO AMANDO MOLINA ANNOUNCED NO SURPRISE POLICY INITIATIVES AND DID NOT ELABORATE ON THOSE SPECIFIC PROPOSALS WHICH HE SAID HIS GOVERNMENT WOULD ACT ON IN HIS SEPTEMBER 15 SPEECH AT THE NATIONAL STADIUM COMMEMORATING THE 153RD ANNIVERSARY OF CENTRAL AMERICAN INDEPENDENCE.

3. SPEAKING FOR ONLY EIGHTEEN MINUTES BEFORE AN ESTIMATED 25-40,000 PEOPLE, MOLINA STUCK TO THE STYLE HE HAS USED ON PREVIOUS SUCH OCCASIONS BY CONFINING MOST OF HIS WORDS TO A GENERALIZED LISTING OF WHAT HIS GOVERNMENT HAS DONE OR WILL DO AT UNSPECIFIED DATES IN THE FUTURE, RATHER THAN USING THE NATIONAL DAY OCCASION, AS DONE BY SOME OF HIS PREDECESSORS, TO COMMUNICATE FORCEFULLY TO HIS AUDIENCE THE NATURE OF THE POLICY MEASURES HIS GOVERNMENT CONTEMPLATES. PRESIDENT MOLINA THUS FAILED TO EXPLOIT WHAT MIGHT HAVE BEEN AN APPROPRIATE MOMENT TO DISPEL SOME OF THE GENERAL CONCERN AND UNCERTAINTY OVER HOW HE PLANS TO LEAD THE NATION IN THE FACE OF GROWING ECONOMIC DIFFICULTIES ON TOP OF TRADITIONAL PROBLEMS. HOWEVER, TO HIS CREDIT, HE DID NOT DEMOGOGICALLY RAISE EXPECTATION BEYOND HIS ABILITY TO PERFORM. HIS SPEECH WAS FOLLOWED BY THE POMP AND EXCITEMENT OF A MASSIVE PARADE AND RALLY.

4. PERHAPS INDICATIVE OF WHAT WAS SAID, PRESS TREATMENT OF THE SPEECH DID NOT GO MUCH BEYOND LISTING QUOTABLE PASSAGES AND/OR HEADLINING ONE OR TWO INCLUDED TOPICS. THERE HAVE BEEN NO EDITORIAL COMMENTS EITHER IN SUPPORT OR OPPOSITION TO ANY PART OF IT. LEAD PARAGRAPHS IN SEPTEMBER 16 PRESS COVERAGE MENTIONED THE FORMALITY OF THE PRESENTATION, WITH LA PRENSA GRAFICA DESCRIBING THE PRESIDENT'S HANDLING OF THE OCCASION AS "HAVING REINVESTED IT WITH THE GREATEST SOLEMNITY OF THE LAST 25 YEARS." PERHAPS AS A RESULT OF THE DRY STYLE AND CONTENTS, THERE WERE NO INTERRUPTIONS FOR APPLAUSE.

5. THE FOLLOWING ARE SYNOPSES OF THE MAJOR "HIGHLIGHTS" FOLLOWED BY EMBASSY COMMENTS, WHERE APPROPRIATE (FULL SPANISH TEXT TO BE POUCHED):

6. POPULATION PROBLEM: MOLINA SAID HIS GOVERNMENT "HAS DESIGNED CONFIDENTIAL

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A SET OF ACTIONS" WITH THE OBJECTIVE OF PROVIDING THE BENEFITS OF PROGRESS TO ALL CITIZENS BY "MAINTAINING THE QUALITY, DISTRIBUTION AND MAGNITUDE OF THE POPULATION . . ." HE ALSO MENTIONED A PROGRAM OF CHILD NUTRITION. COMMENT: ALTHOUGH HE AGAIN FAILED TO SPELL OUT WHAT HE INTENDS TO DO, AND HOW, IT IS SIGNIFICANT THAT THE PRESIDENT EVEN MENTIONED THE ISSUE. THE EMBASSY IS AWARE OF CONSIDERABLE INTERNAL GOES DEBATE ON RESPONSIBILITIES AND MECHANICS WHICH HAS SLOWED PROGRAMMING. UNDER THE CIRCUMSTANCES, THE

PRESIDENT'S WORDS PROBABLY WERE AS FAR AS HE COULD HAVE GONE AT THIS PREMATURE MOMENT.

7. FASCISM IN GOES: CITING THE "MANY TIMES" HIS GOVERNMENT HAS BEEN LABELED "FASCIST" BY POLITICAL ENEMIES, THE PRESIDENT REJECTED SUCH CHARGES BY ASKING HOW A GOVERNMENT COULD BE SO LABELED WHEN IT "DIALOGUES DEMOCRATICALLY WITH YOUTH, EQUALLY WITH OTHER NATIONAL SECTORS; RESPECTS THE MULTIPLICITY AND PARTICIPATION OF POLITICAL PARTIES; HELPS PROPORTIONAL REPRESENTATION IN THE LEGISLATIVE ASSEMBLY; AND WORKS FOR THE PRESERVATION OF THE CONSTITUTION." COMMENT: IT IS NOT CLEAR WHY THE PRESIDENT HIMSELF RAISED THE

FASCIST CHARGE (MOST RECENTLY RAISED IN CONNECTION WITH ASSASSINATION OF LABOR LEADER MORAN CORNEJO (REF AIRGRAM A-133, SEPT. 19, 1974) ESPECIALLY BY USE OF RHETORICAL QUESTION, WHICH COULD ONLY TEND TO DIGNIFY OR LEND CREDENCE TO PREVIOUSLY ILL-DEFINED, SELDOM EXPRESSED OPPOSITION CRITICISM.

8. OFF SHORE PETROLEUM: A MAJOR DECISION, PENDING FOR SEVERAL YEARS, WAS THE ANNOUNCEMENT OF A NEW REGULATION, ("REGLAMENTO DE CONCESIONES DE PETROLEO EL EL MAR TERRITORIAL"), SIGNED SEPT 13 AND BASED ON THE MINING LAW, WHICH DEFINES THE PROCEDURES FOR GRANTING OFF-SHORE OIL CONCESSIONS. COMMENT: WHEN ALERTING US TO THIS PLANNED ANNOUNCEMENT, THE ECONOMIC MINISTRY SAID IT WOULD INFORM EMBASSIES CONCERNING THE REGULATION AND URGE THEM TO ADVERTISE THE OPPORTUNITY. OVER 10 FIRMS, MOSTLY U.S., HAVE BEEN WAITING FOR GOES RESPONSE TO CONCESSION APPLICATIONS, THE OLDEST GOING BACK TO 1967.

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C O N F I D E N T I A L SECTION 2 OF 2 SAN SALVADOR 3741

9. "AGRARIAN TRANSFORMATION": THE PRESIDENT SAID THE RURAL COLON-
INIALIZATION INSTITUTE (ICR) WOULD BE REORIENTED AND CALLED THE
SALVADORAN INSTITUTE OF AGRARIAN TRANSFORMATION (ISTA) AND WOULD BE
A DYNAMIC, FLEXIBLE AGENCY TO ACCOMPLISH CHANGES IN LAND TENURE.
COMMENT: IN LATE 1973, WHEN AGR MINISTER ALVAREZ, AND CONAPLAN'S
ALFREDO NOYOLA WERE REMOVED, THE ICR WAS BEING
PROMOTED AS THE POTENTIAL INSTRUMENT OF A MODERATE AGRARIAN REFORM.
IT APPEARS THAT THE IDEA LIVES, BUT APART FROM POLICY CHANGES,
THE ISTA WILL HAVE TO BE REMOVED FROM MILITARY SINECURE AND THE
STAFF GREATLY IMPROVED, TO BECOME EFFECTIVE. CONAPLAN TECHNICIANS
ARE OPTIMISTIC THAT THE LAND REFORM INSTRUMENT BEING PREPARED,
CONTRARY TO PREVIOUS PROPOSALS, WILL BE IMPLEMENTED SUCCESSFULLY.
WE WELCOME THIS PROSPECT, BUT BASED ON PAST OBSERVATION MOLINA
WILL HAVE A DIFFICULT JOB SELLING ANY SIGNIFICANT REFORM MEASURE.

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10. LAND RENT LAW: MOLINA SAID THE GOVERNMENT WOULD UTILIZE THE
RESULTS OF THE CADASTER TO MODIFY THE SYSTEM OF RURAL TAXATION AND
TO DEVELOP A LAND RENT LAW WHICH WILL BE PRESENTED TO THE
ASSEMBLY AND SHOULD RESULT IN INCREASED PRODUCTION, IMPROVEMENT OF
LAND USE, AND IMPROVED OWNER/TENANT RELATIONS. COMMENT: THIS
ALSO RESURRECTS A CONCEPT PUSHED BY THE ALVAREZ/NOYOLA
TEAM, I.E., A LAND RENT LAW WHICH WOULD MAKE IT ATTRACTIVE TO
RENT UNDERUTILIZED LAND. THE CADASTRAL PROGRAM IS FAR FROM
COMPLETE. BUT DATA ARE AVAILABLE TO PROVIDE A BASIS FOR SUCH A
LAW. THE COROLLARY TO A GOOD LAND RENT LAW WILL, OF COURSE,
BE THE REAL PROPERTY TAX.

11. COFFEE: THE GOVERNMENT INTENDS TO INTEGRATE THE SALVADORAN
COFFE COMPANY (CSC) AND THE NATIONAL COFFEE DEPARTMENT AND IN THE
PROCESS GUARANTEE THE PARTICIPATION AND RESPONSIBILITY OF THE
PRIVATE COFFEE SECTOR. COMMENT: THIS REFLECTS THE RECENT STRONG
CRITICISM OF THE GOVERNMENT'S COFFEE POLICY OF WITHHOLDING SALES,
A POLICY THE PRIVATE SECTOR SAYS WAS FORMED IN ISOLATION FROM THE
REAL WORLD MARKET PLACE, I.E., THE COFFEE INDUSTRY. PERHAPS THE
BASIC ISSUE IS THAT THE CSC AND DNC HAVE EXCEEDED LEGAL

AUTHORITIES AND THE GOVERNMENT'S FOCUS WILL RESULT IN PROPER OPERATIONS AND IMPROVED CONSULTATIONS.

12. INFLATION: MENTIONING THAT INFLATION IS WORLDWIDE AND HAS EXTERNAL CAUSES, MOLINA DESCRIBED HIS RECENT WAGE INCREASES (A-130 SEPT. 13) AND PROPOSED INCREASES FOR PUBLIC SERVANTS AS STEPS TO RIGHT IT. COMMENT: INFLATION THE MOST OBVIOUS AND CRITICAL PRESENT GOES PROBLEM, GOT ONLY THIS FLEETING QUESTIONABLE MENTION.

13. NATIONAL SECURITY: IN WHAT COULD BE TAKEN AS RATIONAL FOR RECENT ARMS PURCHASES, MOLINA ARGUED, ALMOST IN PASSING, THAT (1) EVERY SOCIETY MUST DO IT; AND (2) SALVADORAN FOREFATHERS HAD DONE WHAT NECESSARY TO PROTECT NATION AND HE WOULD DO LIKEWISE. COMMENT: RECENT CRITICISM OF ARMS BUYING, CONTRASTED TO OTHER URGENT NEEDS, HAVE OBVIOUSLY REACHED PRESIDENT.

14. MILITARY ROLE: MOLINA GAVE CUSTOMARY TIP OF HAT TO ARMED FORCE AS ESSENTIAL TO NATION'S ECONOMIC DEVELOPMENT

15 CENTRAL AMERICAN UNITY: SPEECH ENDED WITH AN APPEAL FOR GREATER CA UNITY AND EXPRESSION OF FAITH IN THE DIALOGUE WHICH WILL RESOLVE
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THE DIFFERENCES WHICH HAVE TEMPORARILY SEPARATED EL SALVADOR AND HONDURAS. HE SAID CA UNITY IS A NECESSITY TO FACE THE ECONOMIC AND SOCIAL PROBLEMS AND THAT "WE HAVE LOST TIME, AND CAN'T AFFORD THE LUXURY OF LOSING MORE."

16. OVERALL GOES POLICY: MOLINA SAID THAT HE WISHED TO REAFFIRM THAT "ALL DECISIONS OF MY GOVERNMENT: TEND TO STRENGTHEN OUR DEMOCRATIC AND NATIONALISTIC SYSTEM, WHICH CALLS FOR JUST DISTRIBUTION OF WEALTH AMONG SALVADORANS WHO HAVE CONTRIBUTED TO ITS PRODUCTION; RESPECT THE WILL OF THE MAJORITY; RECOGNIZE THE EQUALITY OF CITIZENS BEFORE THE LAW; AND PREYDGRVE THEIR FUNDAMENTAL RIGHTS."
CAMPBELL

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